

# EXHIBIT 13

## OF HAZZARD DECLARATION



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SONIA S. WAISMAN  
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July 24, 2023

***Via E-Mail Only***

Mr. Bill Neiman, Vice President  
Carson Madrona Company, LLC  
9440 Santa Monica Blvd, Suite 610  
Beverly Hills, CA 90210  
Email: [bill@gglazerproperties.org](mailto:bill@gglazerproperties.org)

RE: *Gary Mountain and Susan Mountain vs. DP Electric, David Luis Perez, individually and dba DP Electric; Guilford Glazer Trust of 1984 dba SanOak Management Company; The Guilford Glazer Trust of 1984, Alameda County Superior Court Case No. RG17857926 (including Perez Cross-Complaint)*  
Date of Loss: 5/17/16  
Policy No.: 41 CSE S30502 (1/1/16-1/1/17)  
Claim No.: Y31L63440

Dear Mr. Neiman,

I am counsel for Hartford Fire Insurance Company ("Hartford") in connection with this matter. In Hartford's March 30, 2020 letter to you, Hartford agreed to defend Carson Madrona Company LLC ("Carson") (as an additional insured under the policy Hartford issued to "Ashley Furniture Industries, Inc.") in the above-referenced lawsuit ("Lawsuit") under a full reservation of rights, including Hartford's right to limit or deny coverage to Carson. In Hartford's September 30, 2022 letter to you, Hartford maintained its agreement to defend Carson, but advised you that in light of the discovery that had taken place in the Lawsuit and for the reasons explained in that letter, Hartford may have no obligation to indemnify Carson or pay a settlement or judgment in the Lawsuit. Hartford reiterated that position in its April 20, 2023 letter to you.

As you aware, trial in the Lawsuit concluded on July 10, 2023, with a verdict of \$25.5 million in favor of David and Donna Perez. The jury apportioned liability against Carson Madrona (50%) and James L. Krasne, Trustee of the Diane Pregerson Glazer Survivor's Trust dba SanOak Management Company ("SanOak") (50%). The jury attributed zero responsibility to Hartford's direct insured Ashley Furniture/Stoneledge Furniture ("Ashley") and to David Perez. The purpose of this letter is to convey Hartford's coverage position now that the trial has concluded.

As set forth in Hartford's March 30, 2020 letter and as further addressed in Hartford's September 30, 2022 letter, Carson would qualify as an additional insured under the Hartford policy only to the extent its liability in the Lawsuit arose "out of the ownership, maintenance or use of that part of the land or premises leased to" Ashley. Under the facts and circumstances of this case, including the recent jury verdict, which further supports the position previously set forth by Hartford, Carson is

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Mr. Bill Neiman

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not an additional insured under the Hartford policy and, therefore, Hartford denies coverage and any obligation to indemnify Carson for the jury verdict, any settlement, or any final judgment to be rendered in the Lawsuit. Absent a duty to indemnify, there is no duty to defend.

Hartford previously communicated its position that Ohio Security Insurance Company (“Ohio Security”), as the direct insurer of Carson, had (and continues to have) an obligation to assume, or participate in, Carson’s defense in the Lawsuit. Despite Hartford’s efforts to work with Ohio Security in that regard, Ohio Security declined to do so. Since Hartford has no defense or indemnity obligation to Carson in this matter, Hartford has recently reiterated its request that Ohio Security step in and defend Carson going forward. We will continue those discussions with Ohio Security and trust Carson will do likewise. Accordingly, at this time, Hartford will continue to fund Carson’s reasonable and necessary defense fees and costs in the Lawsuit, subject to a full and complete reservation of all rights, including, but not limited to, the right to seek reimbursement of any and all sums Hartford has paid or may pay in the future on behalf of Carson in this matter. Hartford understands that Ashley itself has similarly reserved its right to recoup from Carson any and all sums Ashley has paid or may pay in the future for Carson’s defense in the Lawsuit.

Notwithstanding the ongoing defense, for the reasons set forth above and in Hartford’s prior correspondence to you, Hartford denies any obligation to indemnify Carson for any portion of the \$25.5 million verdict rendered by the jury on July 10, 2023.

This communication is not intended to be, and should not be construed as, an exhaustive listing of all policy terms and conditions that may apply to this matter. Hartford continues to reserve all its rights, positions and defenses in the matter. Neither this communication nor any prior or subsequent communications from or on behalf of Hartford should be construed as a waiver of any of Hartford’s rights, positions or defenses.

If you believe that this claim has been wrongfully denied, in whole or in part, you may have the matter reviewed by the Consumer Communications Bureau of the California Department of Insurance, 300 South Spring Street, South Tower, Los Angeles, CA 90013, Telephone Number 800-927-4357 or 213-897-8921. TDD Number: 1-800-482-4833.

If you have retained coverage counsel in this matter, please let me know and I will communicate through your counsel in the future. If not, and if you have any questions, please feel free to contact me.

Sincerely,

*Sonia S. Waisman*

Sonia S. Waisman

cc: Tim Bailey (*by email only*)